

## AUGUST 22, 2008 CARB CHP WORKGROUP MEETING NOTES

### I. Large systems: Barriers

1. Where do you put your power?
  - a. Feed –in tariffs
2. Added costs to the load
  - a. Exit fees
3. Operational implications
  - a. Rule 21
  - b. PUC-approved contract
  - c. Dispatchability
4. Incentives-Capital
  - a. SGIP
  - b. Capacity payments
  - c. Payback period
  - d. Net metering
  - e. Emissions credits
    - i. Uncertainty
  - f. PUC Section 218(b)
  - g. Inability to master meter
  - h. “Spark spread”
  - i. Fuel price volatility
  - j. ISO interface/interconnection
  - k. Air quality
    - i. Local mandates
5. Small Systems-Existing incentives
  - a. SGIP-Fuel cells
  - b. Net meter – biofuel and fuel cells
  - c. Standby waiver
  - d. AB 1613-PUC OIR
  - e. QF standard offer
  - f. ARB equipment pre-certification
  - g. Non-bypassable charge exemption
  - h. EEGT-natural gas discount, PUC Section 216.6
6. Wish list – small CHP
  - a. Remove “business retention” rate language
  - b. Command and Control
    - i. Portfolio standard for IOUs and POUs
  - c. Expand
    - i. SGIP
    - ii. Retail net metering e.g. Spain and Germany

- d. Federal 2007 EISA CH
  - e. Realistic wheeling
  - f. Sustainable communities
  - g. Smart/micro-grid
  - h. Alleviate non-by-passable surcharges
  - i. Standardized metrics
  - j. Transparent/Accessible data
  - k. Determine values/benefits, e.g. T&D losses
  - l. Capacity payments – resource adequacy
7. Larger Systems – Current Policy (Greater than 5 MW)
- a. QF standard offer contract
  - b. Departing load charges
  - c. LTPP requirements
8. Larger Systems – Wish List
- a. Wheeling
  - b. ISO-CHP policy (similar to wind contracts)
  - c. Enhanced utility incentives
    - i. Revenue decoupling
  - d. Resolve pricing issues
    - i. Terms and conditions
  - e. Non-by-passable charges
  - f. Eliminate across-the-street rules
  - g. Expand PUC Section 218(b) neighbor
  - h. Double benchmarking with free allocations (all CHP)
  - i. Coordinate with AQMDs on criteria pollutants
  - j. Regulatory certainty
  - k. State jurisdiction over interconnect – Rule 21
  - l. Streamlined grid interface with the ISO
  - m. Joint PUC/ARB technical discussions
9. List of utility reservations
- a. Costs/equity
  - b. Operability
  - c. Sustainability/longevity
  - d. Need standards